

Federal Communications Commission Consumer & Governmental Affairs Bureau Washington, D.C. 20554

04-36 CGB

DEC 29 2004

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Mr. James Skelton 2734 Isabella Street Evanston, IL 60201

Dear Mr. Skelton:

Thank you for your letter addressed to Senator Peter G. Fitzgerald regarding your concerns about a reported service being offered, caller ID spoofing, which allows callers to disguise their identity when placing calls to a phone that has Caller Identification (Caller ID). Specifically, you raise questions regarding the services provided by the company, Star38.com. Senator Fitzgerald forwarded your letter to the Federal Communications Commission (Commission or FCC) for review and requested that we respond directly to you.

It appears that the service offered by Star38.com is utilizing, Voice over Internet Protocol (VoIP), a technology that allows telephone calls to be made using a broadband Internet connection instead of a regular phone line. Currently the Commission is considering in a rulemaking proceeding, WC Docket No. 04-36, the appropriate legal and regulatory framework for IP enable services, including VoIP. Although the comment period has closed in this proceeding, we have placed a copy of your correspondence in the public record for this proceeding. Enclosed is information you may find helpful.

The Commission seeks to inform consumers about their rights regarding common carrier practices that may violate the Communications Act or other federal or state regulations. In determining whether to take enforcement action or other action in any particular situation, the Commission may consider various factors, including the type of violation alleged, economic harm to consumers, and the probability of preventing future unlawful conduct. Letters from consumers provide valuable information that is frequently used to develop or support Commission initiatives for consumers and for enforcement purposes. Information compiled by the Consumer & Governmental Affairs Bureau is shared with the Enforcement Bureau, which may choose to pursue enforcement action against violators. We also invite you to visit the Consumer & Governmental Affairs Bureau's Internet web site at http://www.fcc.gov/cgb.

Additional information on telephone-related issues is available to the public by calling the Commission's Consumer Center toll free at 1-888-CALL-FCC, TTY users may call 1-888-TELL-FCC.

We appreciate your inquiry. Please do not hesitate to contact us if you have further questions.

Sincerely,

K. Dane Snowden

Chief

Consumer & Governmental Affairs Bureau

Enclosure

cc: Senator Peter G. Fitzgerald

VolP / Internet Voice

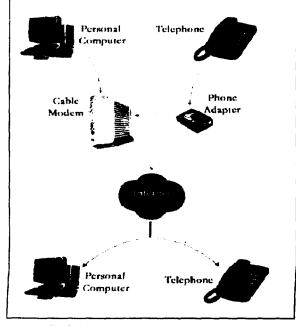
FCC Consumer Facts

Background

Internet Voice, also known as Voice over Internet Protocol (VoIP), is a technology that allows you to make telephone calls using a broadband Internet connection instead of a regular (or analog) phone line. Some services using VoIP may only allow you to call other people using the same service, but others may allow you to call anyone who has a telephone number - including local, long distance, mobile, and international numbers. Also, while some services only work over your computer or a special VoIP phone, other services allow you to use a traditional phone through an adaptor.

How VolP / Internet Voice Works

VoIP converts the voice signal from your telephone into a digital signal that travels over the Internet. If you are calling a regular phone number, the signal is then converted back at the other end. Internet Voice can allow you to make a call directly from a computer. If you make a call using a phone with an adaptor, you'll be able to dial just as you always have, and the service provider may also provide a dial tone. If your service assigns you a regular phone number, then a person can call you from his or her regular phone without using special equipment.



What Kind of Equipment Do I Need?

A broadband Internet connection is required to make VoIP calls. Some services allow you to use a regular telephone, as long as you connect it to an adaptor. Some companies allow you to make calls from a computer or a VoIP phone that doesn't require an additional adapter. If you are calling a regular telephone number, the person you are calling does not need any special equipment, just a phone.

If I have VoIP Service, Whom Can I Call? Depending upon your service, you might be limited only to other subscribers to the service, or you may be able to call any phone number, anywhere in the world. The call can be made to a local number, a mobile phone, a long distance, or an international number.

What Are Some Advantages of VoIP?
Because VoIP is digital, it may offer features and services that are not available with a traditional phone. If you have a broadband Internet connection, you need not maintain and pay the additional cost for a line just to make telephone calls.

Does My Computer Have to be Turned On? Not if you are making calls with a phone and adaptor or special VoIP phone, but your broadband Internet connection needs to be active. You can also use your computer while talking on the phone.

(More)



Is There a Difference Between Making a Local Call and a Long Distance Call?

Some VoIP providers offer their service for free, normally only for calls to other subscribers to the service. Some VoIP providers charge for a long distance call to a number outside your calling area, similar to existing, traditional wireline telephone service. Other VoIP providers permit you to call anywhere at a flat rate for a fixed number of minutes.

Your VoIP provider may permit you to select an area code different from the area in which you live. This means that if your provider charges for long distance, then charges could be based on whether you call within your area code rather than geographic area. It also means that people who call you <u>may</u> incur long distance charges depending on their area code and service.

Can I Take My Phone Adapter With me When I Travel?

You may be able to use your VoIP service wherever you travel as long as you have a broadband Internet connection available. In that case it would work the same as in your home.

How Do I Know If I have a VoIP Phone Call? The phone will ring like any other call.

Does the FCC Regulate Internet Voice?
The Federal Communications Commission
(FCC) has worked to create an environment
promoting competition and innovation to benefit
consumers. Historically, the FCC has not
regulated the Internet or the services provided
over it.



On February 12, 2004, the FCC found that an entirely Internet-based VoIP service was an unregulated information service. On the same day, the FCC began a broader proceeding to examine what its role should be in this new environment of increased consumer choice and what it can best do to meet its role of safeguarding the public interest.

Additional Considerations

If you're considering replacing your traditional telephone service with VoIP, there are some possible considerations you should be aware of:

- Some VoIP services don't work during power outages and the service provider may not offer backup power;
- It may be difficult for some VoIP services to seamlessly connect with the 911 emergency dispatch center or to identify the location of VoIP 911 callers;
- VoIP providers may or may not offer directory assistance/white page listings.

Aspects of these considerations may change with new development in Internet Voice technology. You should always check with the potential VoIP service provider to confirm any advantages and limitations to their service.

Where to Go for Additional Information and Assistance

For further information about VoIP, please visit the FCC's Consumer & Governmental Affairs Bureau at www.fcc.gov/voip.

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For this or any other consumer publication in an accessible format (electronic ASCII text, Braille, large print, or audio), please write or call us at the address or phone number below, or send an e-mail to FCC504@fcc.gov.

To receive information on this and other FCC consumer topics through the Commission's electronic subscriber service, click on www.fcc.gov/cgb/emailservice.html.

This document is for consumer education purposes only and is not intended to affect any proceeding or cases involving this subject matter or related issues.

040211



October 15, 2004

FCC-MAILROOM

Caller ID 3864

Diane Atkinson Congressional Liaison Specialist Federal Communications Commission 445 Twelfth Street, SW, Room 8-C453 Washington, DC 20554

Dear Ms. Atkinson:

I am contacting you on behalf of my constituent, Mr. James Skelton.

Mr. Skelton is concerned about caller ID spoofing. I am enclosing his correspondence for your review. Please address your response to him directly.

Thank you for your attention to this matter. Please do not hesitate to contact me with any questions or comments.

Very muly yours,

f. Thought United States Senator

PGF/bas

Enclosure

2734 Isabella Street Evanston Illinois 60201 October 2, 2004

Senator Patrick Fitzgerald 555 Dirksen Senate Office Building Washington, DC 20510

Dear Senator Fitzgerald,

I am writing to urge you to introduce legislation to stop a new practice called "caller id spoofing."

A company called Star38 at www.star38.com has introduced a new service for those who want to make calls under false pretenses. For \$19.99 per month and 7cents per minute, that company will allow callers to cause a false phone number and a false identity to appear on caller id when their customer makes a phone call. I pay \$69.60 per year for caller ID, and this new technology makes it of little value. A telemarketer or prankster could make any name and number show up on my caller ID.

Mr. Jason Jepson, the chief executive of Star38, of Newport Beach, California, says he will ask subscribers to agree not to use Star38 to commit fraud. This does not inspire much confidence. The caller ID spoofing, as it is known, is simple enough to develop that it is only a matter of time before other service providers make it available to anyone. The developers of Star38 say they required only 65 lines of computer code to implement the deception.

Officials at the Federal Communications Commission indicate that there is nothing illegal, per se, in the Star38 system, under existing legislation and regulations. F.C.C. official said the agency's rules require only that telephone companies provide caller ID abilities and the ability to block caller ID. The rules do not cover add-on services like Star38 provided by nontelephone companies.

This problem has received only limited coverage in the press, but you can read about it at in Information Week, September 1, 2004, at web address http://www.informationweek.com/story/showArticle.jhtml?articleID=46200589&tid=5979 and at USA Today for that same date, at http://www.usatoday.com/tech/news/internetprivacy/2004-09-01-spoof x.htm.

This is a new and potentially dangerous abuse of technology, and it appears that there is no law or regulation to prevent its widespread use. I urge you to introduce suitable legislation to stop it.

Sincerely.

James M. Skelton

(2 news articles enclosed)

Jams Mikhelter